

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 FEA-01

ERDA-05 AID-05 CEA-01 CIEP-01 COME-00 EB-07 FPC-01

INT-05 OMB-01 SAM-01 OES-03 STR-04 TRSE-00 FRB-03

PPT-01 SCA-01 /098 W

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R 211825Z JUL 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3048

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

USMISSION OECD PARIS

C O N F I D E N T I A L LONDON 11142

E.O. 11652: GDS

TAGS: EEC, ENRG.UK

SUBJECT: EUROPEAN COUNCIL MEETING: UK PERSPECTIVE

1. SUMMARY: UK IS GENERALLY SATISFIED WITH SUMMIT  
OUTCOME ACCORDING TO FCO UNDERSEC BUTLER, EVEN THOUGH  
BRITISH PROPOSALS FOR A COMMUNITY RAW MATERIALS POLICY  
DID NOT ADVANCE AS MUCH AS HOPED FOR. USING FOREIGN  
SECRETARY CALLAGHAN'S NOTES OF MEETING IN BRIEFING  
DEP CHIEF EMBASSY ECONOMIC SECTION, BUTLER NOTED  
ACCEPTABLE PROGRESS BEING MADE ON RESUMPTION OF CON-  
SUMER-PRODUCER DIALOGUE, BUT HE RESERVED ON QUESTION  
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OF COMMUNITY REPRESENTING UK IN FUTURE MEETINGS OF

DIALOGUE. CHANCELLOR SCHMIDT SPOKE EXTENSIVELY ON DANGER OF UNDERESTIMATING DURATION AND IMPACT OF ECONOMIC RECESSION IN EUROPE. END SUMMARY

2. RAW MATERIALS. MINISTERS MADE MODEST BUT SUFFICIENT ENOUGH PROGRESS TOWARD A COMMUNITY RAW MATERIALS POLICY TO ALLOW REGULAR COUNCIL MEETING THIS WEEK TO DEVELOP A POSITION THAT SHOULD SEE THE COMMUNITY THROUGH THE UN SEVENTH SPECIAL SESSION. BUTLER DID NOT HAVE ANY FURTHER DETAILS. ON ISSUES OF EXPORT EARNINGS STABILIZATION SCHEMES, BUTLER REPORTED THAT NO COMMON POSITION HAD YET BEEN AGREED UPON AND HE IS NOT OPTIMISTIC ABOUT THE POSSIBILITIES OF A COMMUNITY POSITION BEFORE THE SPECIAL SESSION.

3. CONSUMER-PRODUCER DIALOGUE. GISCARD APPARENTLY REPORTED TO OTHER MINISTERS THAT HE HAD REACHED SUBSTANTIAL AGREEMENT WITH SECRETARY KISSINGER ON THE MODALITIES FOR RESUMING THE DIALOGUE, INCLUDING US ACCEPTANCE OF A FRENCH CHAIRMAN. BUTLER NOTED COMMUNITY'S PREFERENCE WAS FOR A FIRST MEETING IN LATE SEPTEMBER OR EARLY OCTOBER, BUT IT WASN'T CLEAR FROM MINISTER'S DISCUSSION WHETHER SUBSTANCE MIGHT BE DISCUSSED AT THIS MEETING OR AT A SECOND ONE WHICH MIGHT BE HELD IN DECEMBER. ON ISSUE OF UK REPRESENTATION IN RESUMED DIALOGUE, THERE HAS BEEN NO CHANGE IN UK INSISTENCE ON A FORMULA THAT ADEQUATELY PROTECTS ITS INTERESTS. UK IS NOT PREPARED TO SAY NOW WHETHER IT WILL BE REPRESENTED BY THE COMMUNITY -- THIS WILL DEPEND UPON WHETHER A COMMON SUBSTANTIVE POSITION CAN BE WORKED OUT BY THE NINE. CALLAGHAN IS REPORTED TO HOLD STRONG VIEWS ON THIS POINT.

4. PORTUGAL. BUTLER ONLY RESTATED PUBLIC POSITION THAT AID WILL BE FORTHCOMING ONLY AS PROGRESS IS MADE TOWARD A PLURALISTIC DEMOCRACY.

5. INTERNAL COMMUNITY ISSUES. (A) ECONOMIC SITUATION WAS SUBJECT OF EXTENSIVE REMARKS BY SCHMIDT WHOSE ESSENTIAL THEME WAS THAT RECESSION WILL BE LONGER AND CONFIDENTIAL

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DEEPER THAN MOST OBSERVERS THINK. AT SUBSEQUENT PRESS CONFERENCE, CALLAGHAN EXPRESSED DESIRE TO SEE US AND JAPAN TAKE GREATER MEASURES TO STIMULATE RECOVERY AT FASTER RATE. (B) COMMUNITY, ENERGY ISSUES NOT DISCUSSED AT ANY LENGTH. (C) EC COUNCIL WAS INSTRUCTED TO STUDY THE QUESTIONS OF DIRECT ELECTIONS TO EUROPEAN PARLIAMENT AND A COMMON PASSPORT UNION. (D) NEXT SUMMIT SESSION TENTATIVELY SCHEDULED FOR END OF NOVEMBER.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT REACTION, ECONOMIC CONDITIONS, REGIONAL ORGANIZATIONS, SUMMIT MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LONDON11142  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750251-0881  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 117  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 APR 2003 by ShawDG>; APPROVED <24 APR 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EUROPEAN COUNCIL MEETING: UK PERSPECTIVE  
**TAGS:** ENRG, UK, EEC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006